

**Investigation by the Department of Telecommunications and Energy on its own
Motion into Distributed Generation**

Reply Comments of the Union of Concerned Scientists,
Massachusetts Energy Consumers Alliance,
Massachusetts Public Interest Research Group,
Conservation Law Foundation, Clean Water Action,
and The Environmental League of Massachusetts

August 15, 2002

The Union of Concerned Scientists, Massachusetts Energy Consumers Alliance, Massachusetts Public Interest Research Group, Conservation Law Foundation, Clean Water Action, and The Environmental League of Massachusetts are pleased to offer the following brief reply comments in this proceeding. These comments supplement our Initial Comments in this proceeding filed at the Department of Telecommunications and Energy (“DTE”) on August 1, 2002. The purpose of these reply comments is to highlight a few points in response to the Initial Comments of other participants in this proceeding:

1. Formation of a Collaborative:

The Massachusetts Technology Collaborative/Renewable Energy Trust (MTC/RET) proposes the creation of a collaborative to resolve key technical and policy issues associated with the deployment of distributed generation in Massachusetts.¹ We support the creation of such a collaborative, and believe that the MTC is the appropriate organization to initiate and conduct such a collaborative. We also look forward to participating in such a collaborative should it be formed. As it is important that such a collaborative involve a wide range of stakeholders, some of whom may not have sufficient resources to cover numerous meetings, it is important that the collaborative be open to “adjunct members” who wish to offer input at key moments but are unable to attend all meetings. Furthermore, it is important that the collaborative include a mechanism for circulating information to all members to ensure informed participation.

We are concerned, however, that the results of a collaborative approach may not be sufficiently timely. The MTC itself states that it anticipates financing the deployment of 1,100 distributed generation (“DG”) installations.² If those DG installations are to be successful, and bring the benefits of DG to Massachusetts, DTE must act decisively to remove existing barriers to the deployment of DG. Accordingly, we encourage the Department, should it establish such a collaborative, to identify a clear end date for the

¹ See, MTC/RTF comments at 5, 20-22.

² Id. at 1.

process and to be prepared to resolve any outstanding issues. DTE should ensure that a statewide interconnection standard is in place by the end of 2002.

To this end the Department should also be developing a clear strategy on DG issues and identify where and when it expects certain issues to be resolved. The Department is one of several government entities with a significant role in shaping the deployment of DG in Massachusetts. It is essential that the Department's initiatives be coordinated with the DEP's initiatives on emissions standards, the MTC/RET's initiatives in researching, promoting, and financing renewable DG installations, and FERC's initiative on interconnection standards.

2. Emissions standards for DG

The Department of Environmental Protection has stated that it intends to evaluate the necessity and feasibility of the RAP Model Rule in the context of its current regulations and that it may propose additional regulations that would address air emissions from distributed generation sources.³ We reiterate our recommendation that DTE should coordinate its DG strategy with DEP's efforts to establish DG emission standards in order to ensure that energy and environmental policy goals can be achieved. This coordination, if done properly, will not delay the implementation of any DG initiatives. As much of DEP's groundwork has already been done in the RAP model rulemaking process it should be possible to put the safeguard of air emissions regulations in place before any new DTE DG orders or regulations take effect.

An effort by DEP and DTE to immediately develop a joint and coordinated workplan and schedule for these deeply interrelated efforts would be a model of how state government should and can function. Such a coordinated inter-agency approach can ensure that DEP air emissions regulations regarding DG and DTE DG regulations are prepared and promulgated in a swift and orderly manner.

3. Interconnection issues

The Initial Comments reflected a wide range of opinions about interconnection standards and procedures. We continue to believe that statewide and national standards are essential to the successful deployment of DG and therefore to enabling customer to realize the benefits that DG can bring to the electric power system. The current patchwork of practices and standards must be addressed immediately.

We are pleased to hear that the distribution companies in Massachusetts anticipate having a common standard for DG installations of 10 kw or less by October 2002.⁴ This sort of standardization should occur for larger installations also. The Solar Energy Business Association of New England proposes that Massachusetts Electric Company's ("MECo") interconnection standard as the basis for a state-wide standard in Massachusetts.⁵

³ DEP Initial comments at 3.

⁴ See, e.g. Initial Comments of Massachusetts Electric Company and Nantucket Electric Company, at 6; Initial Comments of NSTAR at 32.

⁵ See, Initial Comments of Solar Energy Business Association of New England, at 4.

MECo's interconnection standard and procedures are clear and transparent and represent a significant improvement over a fragmented and cumbersome interconnection process. However, in some aspects they do not provide the certainty needed for DG deployment. For example, the potential for interconnection studies for all installations regardless of their size in relation to the distribution circuit introduces significant uncertainty for customers regarding the costs associated with even considering DG installations. One option for reducing uncertainty is to provide a clear delineation of criteria under which a DG owner can anticipate no costs or minimal costs, as has been developed in Texas, and recommended in the FERC Interconnection proceeding.⁶

The ultimate goal should be national interconnection standards and procedures that reflect the most common denominators possible. Such national standards would permit DG manufacturers to design components that can be sold nationally, and customers to install DG that meets environmental standards through a simple and streamlined process. The IEEE standards should establish the technical standards for DG that will permit "plug and play." The IEEE standards are the appropriate forum for addressing the distribution companies' technical concerns such as islanding and other safety and reliability issues. If and when FERC adopts an appropriate standard, the DTE should evaluate how to move Massachusetts to that standard.⁷

⁶ For example, the Joint Comments on the Interconnection NOPR of Multiple Public Interest Organizations recommend a presumption of no impact when a DG installation is less than 15% of distribution feeder capacity. Those comments were attached to our Initial Comments.

⁷ We acknowledge that NARUC has recently issued model interconnection standards and procedures. While NARUC should be commended for taking steps to standardize practices, the model practices still would enable so much variation between the states that sufficient standardization is not assured.